

THE DOMINION BANK



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**SIXTY-SEVENTH
ANNUAL REPORT
31ST DECEMBER 1937**

SIXTY-SEVENTH ANNUAL REPORT

1871

1937



THE DOMINION BANK

31st DECEMBER, 1937

THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP - - - \$7,000,000

RESERVE FUND - - - - \$7,000,000

UNDIVIDED PROFITS - - \$ 770,815

31ST DECEMBER, 1937

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE

CHAIRMAN OF THE BOARD

C. A. BOGERT

VICE-PRESIDENT

R. S. McLAUGHLIN

Col. The HON. H. A. BRUCE,
M.D., F.R.C.S. (Eng.)

R. Y. EATON

R. J. GOURLEY

The HON. E. W. HAMBER

Maj.-Gen. D. M. HOGARTH,
C.M.G., D.S.O.

J. M. MACKIE

A. C. MATTHEWS

F. GORDON OSLER

JOSEPH M. PIGOTT

J. ALLAN ROSS

H. H. WILLIAMS

HEAD OFFICE: TORONTO

OFFICIALS

ROBERT RAE - - - General Manager

C. S. HOWARD - - - Chief Supervisor

A. H. BAILLIE - - - Eastern Supervisor

C. A. PACK - - - Chief Inspector

SUPERVISORS

S. C. COOK

W. C. MACAGY

T. WILDING

W. B. TANNAHILL - Secretary

JOHN MILLER - Chief Accountant

W. H. LEROY - Staff Superintendent

JAMES GRANT - - - Superintendent of Bank Premises

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO - Assistant General Manager

E. R. CAMERON - Western Supervisor

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN	J. B. Runstedtler	Manager
BELLEVILLE	B. C. Sisler	Manager
BRACEBRIDGE	W. W. Creswick	Manager
BRAMPTON	W. E. Glenney	Manager
BRANTFORD	John McMillan	Manager
BROOKLIN	P. A. Journeaux	Manager
CHATHAM	W. Watts	Manager
COBOURG	J. W. Maize	Manager
DRESDEN	E. W. Slaght	Manager
FAIRBANK	S. Blues	Manager
FORT FRANCES	W. T. Russell	Manager
FORT WILLIAM	W. S. Pate	Manager
GERALDTON	T. B. Connochie	Manager
GRAVENHURST	T. A. Smith	Manager
GUELPH	A. H. Bazett	Manager
HAMILTON	Norman Evans	Manager
East End Branch (King and Wentworth Sts.)	J. S. Dean	Manager
Gage Ave. Branch (Gage Ave. and Barton St.)	T. Long	Manager
Kenilworth Ave. and Barton St.	J. D. Ketchum	Manager
HESPELER	S. T. Organ	Manager
HUNTSVILLE	J. G. Fraser	Manager
KENILWORTH	W. Coupar	Manager
KENORA	L. S. Nicolson	Manager
KIRKLAND LAKE	C. S. Blenkinship	Manager
KITCHENER	H. S. Lancefield	Manager
West End Branch (King and Wilmot Sts.)	P. Kennedy	Manager
LARDER LAKE	J. Walton	Manager
LEAMINGTON	J. W. R. Roddick	Manager
LINDSAY	M. E. Grant	Manager
LONDON	H. F. Smith	Manager
Rectory Street Branch	G. K. Bryson	Manager
LONG BRANCH	W. H. Seabrook	Manager
MADOC	G. C. Gammage	Manager
MARMORA	T. W. Rhind	Manager
MOUNT ALBERT	J. A. Tilley	Manager
MOUNT FOREST	W. Coupar	Manager
NAPANEE	R. Humphrey	Manager
NEW TORONTO	W. V. Dedrick	Manager
NIAGARA FALLS	R. F. J. Ford	Manager
ORILLIA	C. S. Pim	Manager
OSHAWA	Hugh Hall	Manager
South Oshawa Branch	A. N. Kidd	Manager
OTTAWA	C. O. Fellowes	Manager
PETERBOROUGH	R. T. E. Hicks-Lyne	Manager

BRANCHES - ONTARIO—Continued

ROSSEAU	E. K. McL. Jones	Manager
ST. CATHARINES	J. M. R. Torrie	Manager
ST. THOMAS	H. G. Henderson	Manager
SARNIA	W. B. Macdonald	Manager
SEAFORTH	E. C. Boswell	Manager
SUDBURY	G. Heath Ross	Manager
TIMMINS	F. A. Burt	Manager
TORONTO:		
Cor. King and Yonge Sts.	A. C. Ashforth	Manager
	J. D. N. Waugh	Asst. Manager
	N. F. Monro	Asst. Manager
	E. S. Swallow	Asst. Manager
Avenue and Davenport Rds.	P. J. Jones	Manager
Bay and St. Albans Sts.	Wm. E. Lepper	Manager
Bloor and Bathurst Sts.	F. R. Cochran	Manager
Bloor St. and Dovercourt Rd.		
Bloor St. and Runnymede Rd.	C. A. Thorpe	Manager
City Hall Branch	W. Walker	Manager
Danforth and Leyton Aves.		
(3334 Danforth Ave.)	W. I. Hargreaves	Manager
Danforth and Logan Aves.	J. J. Irwin	Manager
Davenport and Dovercourt Rds.	R. A. Jennings	Manager
Davenport Rd. and Laughton Ave.	A. J. Essery	Manager
Dufferin St. and Lappin Ave.	D. W. Dean	Manager
Dundas and McCaul Sts.	A. P. Duck	Manager
Dundas St. and Runnymede Rd.	A. Ritchie	Manager
Dupont and Christie Sts.	R. W. M. Thomson	Manager
Gerrard St. and Coxwell Ave.	R. S. Gray	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.)	D. A. Burns	Manager
Market Branch (King and Jarvis Sts.)	W. W. Duncan	Manager
Mount Pleasant Rd. and Hillsdale Ave.	H. Eves	Manager
Parkdale (Queen St. and Jameson Ave.)	R. M. Bolton	Manager
Queen St. and Augusta Ave.	G. M. Chesney	Manager
Queen St. and Broadview Ave.	A. H. Black	Manager
Queen and John Sts.	R. R. Buchanan	Manager
Queen St. and Lee Ave.	G. R. Cook	Manager
Queen St. and Ossington Ave.	M. E. Roberts	Manager
Queen and Sherbourne Sts.	T. C. Glenn	Manager
Queen and Victoria Sts.	M. S. Burger	Manager
Roncesvalles and Howard Park Aves.	C. W. McMichael	Manager
Rosedale (Sherbourne and Bloor Sts.)	J. T. Lownsbrough	Manager
St. Clair Ave. and Dufferin St.	F. A. Boulden	Manager
St. Clair Ave. and Vaughan Rd.	C. A. R. Hunter	Manager
Spadina Ave. and Adelaide St.	Joseph Johnson	Manager
Spadina Ave. and College St.	L. L. Laird	Manager
West Toronto Branch	F. E. Havill	Manager
Yonge St. and Eglinton Ave.	F. W. Slatter	Manager

BRANCHES—Continued

TORONTO—Continued

Yonge and Gerrard Sts.	J. B. O'Neill	Manager
Yonge and Hayden Sts.	N. J. O'Flynn	Manager
Yonge St. and Marlborough Ave.	E. E. Abbott	Manager
Yonge St. and St. Clair Ave.	T. W. Joyce	Manager
Yonge St. and Teddington Park Ave.	G. J. Vicars	Manager
York and Adelaide Sts.	R. B. Hunter	Manager
UXBRIDGE	C. R. Hanna	Manager
WELLAND	H. E. Stark	Manager
WHITBY	J. H. Perry	Manager
WINDSOR	W. E. Scott	Manager
WINGHAM	J. R. M. Spittal	Manager
WOODSTOCK	W. A. Cunningham	Manager

QUEBEC

MONTREAL	W. A. Fisher	Manager
	W. J. Dundas	Asst. Manager
Beaubien and Christophe Colomb Sts.	A. S. Jamieson	Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	Frank F. Hull	Asst. Manager
Dominion Square Branch, Peel and St. Catherine Sts.	T. F. R. Elliott	Manager
Guy and St. Catherine Sts.	R. J. Nichols	Manager
Monkland and Old Orchard Aves.	E. Stangroom	Manager
St. Jean Baptiste Market	I. H. Gordon	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager
ROUYN	I. D. Simmons	Manager

MANITOBA

BOISSEVAIN	A. Morton	Manager
BRANDON	T. T. Rodger	Manager
DELORAIN	R. A. Glendinning	Manager
ST. BONIFACE (Union Stock Yards Branch)	J. G. Foggo	Manager
SELKIRK	S. Boone	Manager
THE PAS	Alex Stewart	Manager
WINNIPEG	R. K. Beairsto	Manager
	E. D. White	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager
Notre Dame Ave. and Sherbrook St.	P. M. Wass	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	W. M. Hamilton	Manager

BRANCHES—Continued

SASKATCHEWAN

GRENFELL.....	C. H. Johnston.....	Manager
MOOSE JAW.....	B. E. Hull.....	Manager
REGINA.....	W. A. Radcliff.....	Manager
SASKATOON.....	L. C. Brown.....	Manager

ALBERTA

CALGARY.....	C. W. Jones.....	Manager
EDMONTON.....	M. C. Fraser.....	Manager
MEDICINE HAT.....	W. S. Ashley.....	Manager

BRITISH COLUMBIA

VANCOUVER.....	A. A. Atkinson.....	Manager
Pender and Howe Sts.....	W. D. Kelly.....	Manager
Robson and Hornby Sts.....	C. B. Pearson.....	Manager
VICTORIA.....	D. McMillan.....	Manager

NEW BRUNSWICK

SAINT JOHN.....	C. Waite.....	Manager
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LONDON, ENGLAND

3 KING WILLIAM ST., E.C.4.....	Percival Huffman.....	Manager
	E. W. Booth.....	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.....	A. W. Rice.....	Agent
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CHIEF CORRESPONDENTS

GREAT BRITAIN	-	Bank of England. Bank of London and South America, Limited. Barclays Bank Limited. British Overseas Bank, Limited. Lloyds Bank Limited. National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA	- - - -	Barclays Bank (Dominion, Colonial and Overseas).
AUSTRALASIA	- -	Commercial Bank of Australia, Limited. National Bank of Australasia, Limited. Union Bank of Australia, Limited. Bank of New Zealand.
BELGIUM	- - - -	Banque d'Anvers. Banque de Bruxelles.
CHINA	- - - -	Chartered Bank of India, Australia and China. Chase Bank. Hong Kong and Shanghai Banking Corporation. National City Bank of New York.
CZECHO-SLOVAKIA		Anglo-Czechoslovak and Prague Credit Bank.
FINLAND	- - - -	Kansallis-Osake-Pankki.
FRANCE	- - - -	Banque Transatlantique. Barclays Bank (France), Limited. Chase Bank. Comptoir National d'Escompte de Paris.
GERMANY	- - - -	Deutsche Bank.
HOLLAND	- - - -	Amsterdamsche Bank. Rotterdamsche Bankvereeniging.
ITALY	- - - -	Banca Commerciale Italiana. Credito Italiano.
JAPAN	- - - -	Mitsubishi Bank, Limited. Mitsui Bank Limited. National City Bank of New York. Yokohama Specie Bank, Limited.
POLAND	- - - -	Bank Handlowy W. Warszawie.
SOUTH AMERICA	-	Bank of London and South America, Limited. National City Bank of New York.
SWEDEN	- - - -	Svenska Handelsbanken.
SWITZERLAND	- -	Banque Federale. Banque Populaire Suisse.

CHIEF CORRESPONDENTS—Continued

- WEST INDIES - - Barclays Bank (Dominion, Colonial and Overseas).
National City Bank of New York.
- UNITED STATES
- BOSTON, MASS. - - First National Bank of Boston.
National Shawmut Bank of Boston.
- BUFFALO, N.Y. - - Liberty Bank of Buffalo.
Marine Trust Company of Buffalo.
- CHICAGO, ILL. - - Continental Illinois National Bank and Trust Company of Chicago.
- CLEVELAND, O. - - National City Bank of Cleveland.
- DETROIT, MICH. - - Commonwealth-Commercial State Bank.
National Bank of Detroit.
The Detroit Bank.
- DULUTH, MINN. - - First and American National Bank.
- LOS ANGELES, CAL. - Bank of America National Trust and Savings Association.
- MINNEAPOLIS, MINN. First National Bank and Trust Company of Minneapolis.
Northwestern National Bank and Trust Company of Minneapolis.
- NEW YORK, N.Y. - National City Bank of New York.
Central Hanover Bank and Trust Company.
Chase National Bank of the City of New York.
Continental Bank and Trust Company of New York.
Corn Exchange Bank Trust Company.
Irving Trust Company.
- PHILADELPHIA, PA. - Central-Penn National Bank of Philadelphia.
Philadelphia National Bank.
- PITTSBURGH, PA. - First National Bank at Pittsburgh.
Peoples-Pittsburgh Trust Company.
- ST. LOUIS, MO. - - Mercantile-Commerce Bank and Trust Company.
- ST. PAUL, MINN. - First National Bank of St. Paul.
- SAN FRANCISCO, CAL. Bank of California, N.A.
Bank of America National Trust and Savings Association.
- SEATTLE, WASH. - - Bank of California, N.A.
National Bank of Commerce of Seattle.
- WASHINGTON, D.C. - Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

<u>ASSETS</u>	
Gold held in Canada.....	\$ 638.96
Subsidiary coin held in Canada.....	229,327.86
Gold held elsewhere.....	115.00
Subsidiary coin held elsewhere.....	292.84
	\$ 230,374.66
Notes of Bank of Canada.....	\$ 3,023,491.50
Deposits with Bank of Canada.....	14,046,810.90
	17,070,302.40
Notes of other Chartered Banks.....	323,715.00
Government and Bank notes other than Canadian..	92,970.49
Cheques on other Banks.....	8,213,577.55
Due by Banks and Banking Correspondents else- where than in Canada.....	1,636,067.16
	\$27,567,007.26
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value.....	10,469,240.28
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	35,273,948.91
Canadian Municipal Securities, not exceeding market value.....	4,549,935.13
Other Bonds, Debentures and Stocks, not exceeding market value.....	3,755,617.64
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	6,162,069.89
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Deben- tures, Bonds and other Securities, of a sufficient marketable value to cover.....	3,332,871.29
Deposit with the Minister of Finance for the security of note circulation.....	334,650.00
	\$ 91,445,340.40
Current Loans and Discounts in Canada, not other- wise included, estimated loss provided for....	\$41,516,254.31
Loans to Cities, Towns, Municipalities and School Districts.....	2,371,306.84
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	321,010.75
Non-current Loans, estimated loss provided for....	332,605.20
Bank Premises, at not more than cost, less amounts written off.....	5,685,000.00
Real Estate other than Bank Premises.....	80,572.72
Mortgages on Real Estate sold by the Bank.....	32,862.06
Other Assets not included under the foregoing heads	198,010.44
	50,537,622.32
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....	2,066,695.22
	<u>\$144,049,657.94</u>

ENDED 31st DECEMBER, 1937

LIABILITIES

Capital paid up.....	\$	7,000,000.00
Reserve Fund.....	\$	7,000,000.00
Balance of profits as per Profit and Loss Account....		770,815.93
Dividend No. 221, payable 3rd January, 1938.....		175,000.00
Former Dividends unclaimed.....		312.83
		<u>7,946,128.76</u>
Total Liabilities to the Shareholders.....	\$	14,946,128.76
Notes of the Bank in circulation.....	\$	5,528,741.50
Deposits by and balances due to Dominion Government.....	\$	222,536.02
Deposits by and balances due to Provincial Governments.....		643,211.16
Deposits by the public not bearing interest.....		36,286,541.11
Deposits by the public bearing interest including interest accrued to date of statement.....		80,630,032.17
		<u>117,782,320.46</u>
Deposits by and balances due to other Chartered Banks in Canada.....		2,215,722.21
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries.....		1,103,423.67
Liabilities to the public not included under the foregoing heads.....		406,626.12
		<u>127,036,833.96</u>
Acceptances and Letters of Credit outstanding.....		2,066,695.22
		<u>\$144,049,657.94</u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above Balance Sheet as at December 31st, 1937, and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at December 31st, 1937, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Warwick, Mitchell & Co.

W. D. GLENDINNING, C.A.,
of Glendinning, Gray & Roberts.

Toronto, January 17th, 1938.



HEAD OFFICE - TORONTO

THE DOMINION BANK

PROCEEDINGS of the Sixty-Seventh Annual General Meeting of the Shareholders

THE SIXTY-SEVENTH Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, January 26th, 1938, at 2.30 o'clock in the afternoon.

Among those present were:

William J. Aitchison (Hamilton), A. C. Ashforth, R. K. Beairsto (Winnipeg), Evan A. Begg, A. M. Bethune, Ray T. Birks, A. H. Black, F. A. Boulden, Merritt A. Brown, Col. The Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), H. A. Burgess (Rosseau), E. R. Cameron (Winnipeg), C. H. Carlisle, Gordon T. Cassels, Col. G. T. Chisholm, S. C. Cook, D. B. Dawson, Henry W. Dow, R. Y. Eaton, Norman Evans (Hamilton), G. Reginald Geary, K.C., R. J. Gourley (Winnipeg), Frank A. Harrison, Maj.-Gen. D. M. Hogarth, C.M.G., D.S.O., C. S. Howard, Thomas E. Knowlton, Charles E. Lee, W. H. LeRoy, John M. Lyle, Arthur Macdonald, J. V. Macfarlane, J. M. Mackie (Montreal), A. C. Matthews, Gordon R. Medland, The Right Hon. Sir William

Mulock, P.C., K.C.M.G., William A. McCullough, R. S. McLaughlin (Oshawa), C. W. McMichael, Allan McPherson (Orillia), James Nicholson, F. Gordon Osler, G. S. Osler, Joseph M. Pigott (Hamilton), Robert Rae, J. G. Ramsey, A. W. Rice (New York), J. Allan Ross, Robert Ross, D. King Smith, M.D., W. Walker, Walter Wily.

The chair was taken by the President, Mr. C. H. Carlisle. Mr. C. S. Howard was appointed to act as Secretary of the Meeting and Mr. Evan A. Begg and Mr. Walter Wily were appointed Scrutineers.

The notice calling the Meeting was read by the Secretary. The Minutes of the last Annual General Meeting were taken as read and were confirmed.

At the request of the Chairman the Secretary read the Directors' Report to the Shareholders and also the Auditors' Report.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the following Statement of the result of the business of the Bank for the year ended 31st December, 1937, and a General Statement of the Assets and Liabilities as of such date:

Balance of Profit and Loss Account, 31st December, 1936.....	\$ 668,977.15
The Profits for the year ended 31st December, 1937, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion and Provincial Government Taxes of \$237,310.75, amounted to.....	976,838.78
	<u>\$1,645,815.93</u>
Dividends (quarterly) at Ten per cent. per annum.....	\$700,000.00
Contribution to Officers' Pension Fund.....	75,000.00
Written off Bank Premises.....	100,000.00
	<u>875,000.00</u>
Balance of Profit and Loss Account carried forward...	<u>\$ 770,815.93</u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

During the year Branches were opened at Larder Lake, Ontario, and Rouyn, Quebec. None were closed.

Head Office and all Branches were inspected by officers of the Bank during the year.

The usual examination of the Bank's position was made by the Shareholders' Auditors, Mr. A. B. Shepherd, F.C.A., and Mr. W. D. Glendinning, C.A., whose report appears at the foot of the Balance Sheet. Mr. Glendinning having served for two years, now retires and you will be asked at this Meeting to elect in his place Mr. D. McK. McClelland, F.C.A., of Price, Waterhouse & Company.

C. H. CARLISLE, *President*.

20th January, 1938.

The General Manager was then asked to comment on the Annual Statement.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT
AND BALANCE SHEET BY MR. ROBERT RAE,
GENERAL MANAGER

The Secretary of the Meeting has read to you a statement giving the result of operations for the year 1937, and you have before you the figures under the various headings. The profits amounted to \$976,838, an increase of \$25,560 over the previous year. You will observe that after payment of Dominion and Provincial Government taxes, making a contribution of \$75,000 to the Officers' Pension Fund, an appropriation of \$100,000 to Bank Premises Account and providing \$700,000 for dividends, \$101,838 was added to Profit and Loss Account, the total carried forward being \$770,815, as against \$668,977 last year.

If you will be good enough to refer to the Statement, I will comment briefly on the various items:

Notes of the Bank in circulation, \$5,528,741, are \$41,960 lower than the previous year.

We are pleased to report that Deposits by the public not bearing interest, \$36,286,541, compared with \$32,977,964 a year ago, show an increase of \$3,308,577, and that Deposits bearing interest are higher by \$2,012,124, and now total \$80,630,032.

Acceptances and Letters of Credit outstanding were \$2,066,695, a decrease of \$875,400, due to a reduction in imports by the Bank's customers towards the end of the year.

On December 31st the Bank had cash assets of \$27,567,007, equivalent to 21.7 per cent of the liabilities to the public, and readily realizable assets, including Government, Municipal and other bonds and Call and Short loans, amounted to \$91,445,340, or 72 per cent of public liabilities. These figures show that your Bank is in a very strong and liquid position.

Investments in securities were the highest in the history of the Bank, and totalled \$54,048,741, compared with \$51,538,902 a year ago. These securities are entered on the Statement at prices below those prevailing on December 31st and market prices are still higher at this time.

Call and Short Loans in Canada, \$6,162,069, compared with \$9,881,120 a year ago, show a decrease of approximately \$3,719,000. This is due to the recent recession in the security markets and a consequent lessening in the demand for such financing. Against these loans readily marketable stocks and bonds, with adequate margin, were held.

Call and Short Loans elsewhere than in Canada total \$3,332,871, compared with \$5,309,169 a year ago. These loans, which represent advances made at our New York and London offices against first-class securities, fluctuate from day to day.

It is gratifying to report that Current Loans and Discounts in Canada were \$41,516,254, an increase of \$7,419,858 over those of a year ago. This is a most important feature of the Statement and reflects the greater turnover in business enjoyed by our customers.

Loans to Cities, Towns, Municipalities and School Districts were \$2,371,306, compared with \$1,873,789 on the 31st December, 1936, an increase of \$497,517.

Non-Current Loans, \$332,605, show a slight decrease—all probable losses have been fully provided for.

Bank Premises Account now stands at \$5,685,000. During the past year several offices were remodelled—it has always been our policy to make suitable alterations to our properties from time to time.

We have further enlarged our connection in the mining areas of Northern Ontario and Quebec; in February last a branch was opened at Rouyn, Que., and in May an office was established at Larder Lake, Ont. We expect to develop a profitable business at both of these places. Contracts have been let for the erection of a modern banking office at Victoria, B.C., and our new premises at Geraldton, Ont., where we opened a branch in 1936, are almost completed.

During the past year your President has given freely of his time and experience in your interests; personally, I have found his advice and counsel—as well as that of the other Directors—most helpful.

With regard to the staff, which now numbers 1,238, I cannot speak too highly of their loyalty and efficiency; they are one of the best assets of your Bank.

I cannot let this opportunity pass without referring to the keen sense of personal loss which my colleagues and I feel in the sudden death of my predecessor in office, the late Mr. Dudley Dawson. During his long connection with the Bank, Mr. Dawson won the regard and admiration of every member of the staff, and in his passing we all lost a greatly esteemed friend.

The Chairman will deal with the various aspects of present-day conditions, and my remarks only apply to the Statement before you. In conclusion, however, I would like to repeat that The Dominion Bank is in a sound and healthy condition, and fully prepared to continue taking its part in financing the business of this country.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

The great natural laws that know no change, no exceptions, have called your General Manager of a year ago. Not only the personnel of The Dominion Bank and that of all other Canadian banks, but all who knew him, lamented his sudden and untimely death. Mr. Dudley Dawson was a kindly, sincere and considerate man. He gave his best efforts to the things which he undertook to do. Entering the Bank in 1896 as a clerk, and rapidly progressing through many phases of its operations, he became General Manager in 1933, which position he held until his death.

Mr. Robert Rae was appointed in June last to succeed Mr. Dawson as General Manager. Mr. Rae has had thirty-one years' experience in The Dominion Bank, having been Branch Manager at Montreal, Bank's Agent at New York and Assistant General Manager. His experience and his talents well equip him for his present position. He is a man of unquestionable character, kind, efficient, and has the quality of management. You may be assured of his success.

From the Balance Sheet presented and comment made on same by your General Manager, you will observe your Bank has had a successful year. Deposits have increased by more than \$5,000,000. Total assets are \$144,000,000. Quick assets are as high as 72 per cent. of liabilities to the public; commercial loans in Canada are \$41,500,000 and show an increase of approximately \$7,400,000 over a year ago.

During the last two or three years substantial sums of money have been collected from past due accounts. There is little work along this line to be done at this time. Ample provision has been made for any remaining doubtful accounts.

It is natural for one who has spent the greater part of his business life in manufacturing and merchandising, interested in both domestic and foreign markets, to regard banking from his viewpoint rather than that of an experienced banker. It is a fact, not sufficiently recognized, that it is quite essential for the personnel of a bank to have, in addition to a competent knowledge of banking, the fullest under-

standing of business in general. A balance sheet can be better analyzed and better appraised if one has a thorough knowledge of the particular industry being reported upon. Having a practical knowledge of the things to be dealt with, one is in a better position to render a service both to the bank and its customers. A considerable amount of work has been done by your Bank in aiding and re-building and rehabilitating accounts which otherwise would have had to be liquidated, entailing loss to the Bank and to others. The men chosen from your staff to do this work have been successful and have gained valuable experience. It is our purpose to give certain men in the general office and all branch managers as full an opportunity as possible to acquaint themselves with such activities.

Contracts for a new office building at Victoria have been let; this building will be of a modified, modern architecture, and should be completed by mid-Summer. Your branch properties have been improved and kept in good condition and excess space is well rented.

Legislation has recently been passed by one of our Provinces which, if implemented, would likely make it impossible for Chartered Banks to operate in that Province. Such action would doubtless result in some loss to the Banks; it would prove, perhaps, an even greater loss to the Province itself.

Our Chartered Banks have not only served the individual well, but have been a dominant factor in the building of our nation. Canadian Chartered Banks have earned and have the respect and confidence of other nations with whom they deal. They make available for the use of the Canadian people, Canadian industry and Canadian governments more than \$1,000,000,000 per year. Rates of interest have been consistent and equitable. They are paying annually in taxes between \$8,000,000 and \$8,500,000 and are now employing between 23,000 and 24,000 people. These facts should indicate that those who seek to retard or to make it impossible for our Chartered Banks to operate are usually persons without practical experience, or are visionary, or have some selfish purpose to serve. Chartered Banks are national institutions—not provincial. It is pre-supposed that our National Government will maintain these Banks

and maintain them under such conditions as will serve all people and our nation best. It would probably have been more constructive if those in charge of bank management had given to the public a fuller knowledge of the Banks' operations and services.

There is much written and published as to current events and current business; therefore, in referring to the business of the year just closed, it may suffice to say that generally the results have been quite satisfactory. Canada has shown marked improvement in its foreign trade. In the seven months prior to September last this country had an increased favourable trade balance of \$200,000,000. However, owing to the recent decline in commodity prices and the effort to reduce inventories, merchandise from the United States is being absorbed in large quantities in our market, thereby reducing this favourable balance. Employment has been maintained at a high level and at wages well above the average. The value of our manufactured products amounted to over \$3,000,000,000. In line with and because of the ever-changing proportion of public demand for goods, Canada is gradually shifting from agriculture to manufacturing. It is well, and certainly in the interest of farmers as well as workmen, that she is so diversifying her production. While our crops are somewhat less in volume than normal, and while some sections have suffered cruelly from drought, the dollar value is, on the whole, satisfactory. Our minerals are varied and abundant. They yielded, in the year just closed, \$435,000,000. They will continue to be an increasing asset. Our paper industry has made rapid progress and for the twelve months yielded a value of approximately \$199,000,000. We have many more products and assets of permanent value, but it seems to me our greatest possessions are, first, our quality of citizenship; second, our educational institutions; and, third, the high standing of our judiciary and with it, our respect for, and the enforcement of, law. It is undoubted that there has been no time in the history of mankind when these elements of society were so essential as they are to-day. Canada must always be watchful of sinister forces which aim to destroy or to revolutionize our democratic form of government and with it those safeguards which provide a check for each branch of government, and, therefore, a

balance for the whole. These have, since their inception, given to all of our people the maximum of freedom, security and opportunity.

Immigration is essential to Canada, but the greatest care should be taken to assure ourselves that only those are admitted who can conform, and are willing to conform, to our laws and customs. We fear that such a selection has not always been carefully made; that we have too large a percentage of those elements which have nothing in common with the aspirations and the genius of our national life.

Owing to our large expanse of territory and sparse population, and, in earlier years, our meagre transportation and communication facilities, this country is decidedly sectionalized. It is only natural that each section would view and fashion our national problems from its local standpoint. It is apparent that the Provinces are not only using all the power allotted to them by the British North America Act, but are frequently pressing for the exercise of even greater powers, and, in some instances, have created obligations which are difficult or impossible for them to discharge, thus bringing about an unhappy condition for the local taxpayer as well as affecting injuriously the general credit.

We must not overlook that our position in the British Commonwealth, our relations with other nations, our personal security and our progress rest upon the strength and the integrity of our National Government.

The Great War of 1914 to 1918 left participating nations with a debt of about \$200,000,000,000. The loss of life, the loss of property, the maiming of millions of people left these nations heavily burdened and disabled. National and international thought was changed—hate still exists. Some countries have, in effect, repudiated their internal debt by the use of fiat currency and most of the international debt remains unadjusted. The results to be obtained by the War were hoped to be a greater freedom, a wider and fuller democracy—instead, dictatorships have already sprung up out of the ruins, and others are in the making. Under these dictatorships, property rights are annulled or abridged, and personal liberty is restricted or has disappeared. When national activities such as production, finance and commerce

are directed and controlled by an individual or a small group of individuals who have assumed political power, it will prove true again, as it always has in the past, that these people have never gained or possessed the superhuman knowledge and experience to warrant the exercise of such controlling authority.

Most of our war problems still remain unsolved. The world is not even now in a state of peace. Canada has many of her troubles, both domestic and external, standing in challenge before her at this very time. She is in a better position to-day, however, to find her way through than are most other nations.

This Dominion is essentially an export country and must remain so for many years to come—therefore, to maintain a satisfactory position, it must be competitive in quality of product, in price and in service. Costs must be maintained on as low a basis as possible, and living costs kept down to a level with production costs. Profits should be limited, but cannot be eliminated or stagnation at once follows; capitalization should be reduced to actual values; taxes should and can be greatly reduced. We must not overlook the formidable truth that taxes form a material and a constantly expanding proportion of costs.

Our National and Provincial Governments are making progress. A special opportunity is afforded, through the Rowell Commission, to come to agreement on an intelligent revision of the British North America Act, and such revision should provide not only for a severely essential economy, but for a closer unity and a better understanding.

We are a patient people, but there is a limit even to patience. How much longer can we endure the unnecessary burden of our transportation system? We have waited long for some explanation to justify the building of the Hudson's Bay Railroad and its terminals—we have received none. It is manifest now, that no business-like explanation can ever be forthcoming. Free our transportation problems from party politics and they will be speedily and efficiently solved.

Provinces which find their local taxes too great a burden to bear, likely may lessen that burden and improve their

conditions through consolidation with one or more other Provinces. Public opinion would, undoubtedly, support our National Government in giving temporary assistance to any section of our country which was in distress through conditions beyond its control, but I take it, on the other hand, that public opinion would be averse to giving aid where conditions were controllable and possibly permanent.

We will be making national progress when every able-bodied and able-minded person realizes that it is his or her duty to be self-supporting, and becomes self-supporting. It is contrary to the principles of human life for one to work and save to support one who has not exhausted every effort to become self-supporting. Those who have been and are self-supporting are usually those who have put forth greatest efforts and have, out of that pride and independence which spells character, denied themselves the most.

If we hold definitely to sound and tried principles of production, of business and of taxation, if we maintain determinedly our democratic principles and our British traditions, and take an ever-increasing and practically useful part in this Commonwealth, then people worthwhile, looking on from other lands and comparing Canada with countries where that priceless personal freedom, which is our British inheritance, has been circumscribed or crushed out of human life, will, to the common advantage of themselves and of this whole Canadian nation, seek the measureless range of opportunity and the wholesome citizenship which this Dominion can so amply provide.

I am pleased to move the adoption of the Report.

Mr. R. S. McLaughlin said in part—Mr. Chairman and Gentlemen, before seconding the adoption of the Report, I have one thought in mind to which I wish to give expression—it refers particularly to the President. I presume the Shareholders, as well as Bankers, thought, when we asked Mr. Carlisle to become President, that it was more or less of an experiment to elect a business man to that position. All I want to say is that I am sure by now you will agree our choice was an excellent one. He has devoted his whole time and attention and has thrown his whole soul into the activities

of the Bank. No day is long enough for him, and no problem is so intricate or so difficult that he is unable to find a way to handle it to the advantage of the Bank. I make these remarks to let our President know that his fellow-directors realize what he is doing for the Bank, and appreciate it, and I want all the Shareholders here to know also. I have much pleasure in seconding the adoption of the Report.

The Chairman—That was very kind of you, Mr. McLaughlin. I would say to the Shareholders and to the staff of this Bank, that it is our duty, and with that a pleasure, to do things well, or as well as we know how. A great deal of success, I think, in any business is due to proper organization and proper training of those in the organization in a wide contact with the public and especially with the people with whom you do business. I think the time is past when banking consists merely in receiving deposits and making loans. We still do that and always will, but there is a larger field in banking than that—it means a close contact with the people you serve. If a customer recognizes you have an interest in his business and can give him some help or assistance he is a good customer of your Bank. He is about the best advertising agent or medium that you can have. A satisfied customer or satisfied client has generally something good to say for you or your institution—a dissatisfied person has nothing constructive to give or nothing very favourable to say. It will be the purpose of this Bank to increase its efforts along lines that will build for permanency and for greater efficiency by a greater co-operation, not only with your customers, but with the public in general.

The Chairman presented the motion to the Meeting and the Report was adopted.

Mr. J. G. Ramsey—I move that Mr. A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell & Company, and Mr. D. McK. McClelland, F.C.A., of Price, Waterhouse & Company, be appointed Auditors to hold office until the next Annual General Meeting, and that their remuneration be fixed at a sum not to exceed \$10,000.

Mr. A. M. Bethune—I have much pleasure in seconding the motion. (Motion carried.)

Mr. James Nicholson—It gives me great pleasure to move that the Board of Directors for the ensuing year be: C. A. Bogert, Col. The Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), C. H. Carlisle, R. Y. Eaton, R. J. Gourley, The Hon. E. W. Hamber, Maj-Gen. D. M. Hogarth, C.M.G., D.S.O., J. M. Mackie, A. C. Matthews, R. S. McLaughlin, F. Gordon Osler, Joseph M. Pigott, J. Allan Ross and H. H. Williams, and,

That a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors and for the election of Directors, and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting.

The fourteen gentlemen whose names I have read constitute the outgoing Board, and I feel that after the very satisfactory report we have just heard, you will re-elect them unanimously.

Mr. C. E. Lee, a Shareholder for many years and one who has always taken an active interest in the Bank, in seconding the motion, made some interesting remarks and expressed his continued good-will. (Motion carried.)

The balloting for the appointment of Auditors and the election of Directors was then proceeded with.

The Chairman—Mr. Bogert, who is now on a vacation in the South, has sent you a telegram, which reads: "My best wishes for a successful Meeting." It was very good of Mr. Bogert to remember us to-day, and I think it would be well if we sent him a wire letting him know that we are thinking of him and that we appreciate his message. I believe this is only the second Annual Meeting that Mr. Bogert has missed since he became General Manager and later President of the Bank. If it meets with your approval we will see that a proper telegram is sent to Mr. Bogert. (Approval given.)

All who attended the Meeting were greatly pleased that we had with us the Right Honourable Sir William Mulock, who made a very interesting, logical and constructive address. It is unusual that a gentleman should be present

at the Meeting who took such an active part in the formation of the Bank, 67 years ago. He was at that time a young solicitor. Although now in his ninety-fifth year, he still remains a clear thinker and a forceful speaker. Sir William has been a customer of the Bank continuously since its inception and holds the original shares which he secured at the time of the Bank's formation. He has given his continued support and friendship to the Bank.

The Scrutineers then reported to the Chairman that Messrs. A. B. Shepherd, F.C.A., and D. McK. McClelland, F.C.A., were duly appointed Auditors and the appropriation for their remuneration authorized, and that the gentlemen nominated as Directors were duly elected Directors for the ensuing year.

The Chairman in concluding the business of the Meeting stated that each year the Bank was showing a satisfactory improvement, and gave credit for the same to the staff at Head Office and the branches. He commended the interest and co-operation shown by the employees in general, and expressed appreciation to the Board of Directors for the unusual interest and activity which they were taking in The Dominion Bank. The fact was recognized that the Banks' and all business is circumscribed to a certain extent by business conditions, but the Bank was in a position to share favourably in the conditions that may exist.

At a subsequent meeting of the Board of Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin, Vice-President for the ensuing year.

The Annual Statement with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.

